

7 March 1961

STAFF STUDY: [REDACTED] Contract [REDACTED] Task 1.  
Audio-Film - Over-run of Funds.

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1. STATEMENT OF THE PROBLEM

A letter from [REDACTED] concerning this contract has indicated that:

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A. [REDACTED] require a contract time extension to 1 April 1961.

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B. [REDACTED] will require an over-run of funds as follows:

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2. FACTS BEARING ON THE PROBLEM

The contract was scheduled for completion in January 1961. When last inspected by [REDACTED] on January 18, 1961, it was in a partly assembled state. The [REDACTED] project engineer was completely happy with the situation but, as nothing was actually working, I had to be satisfied with his report. It seemed, however, that the only requirement would be extra time for completion. This was confirmed by the financial accounting, and it was reported that extra time would be required, but not money.

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3. ACTION TAKEN TO VERIFY [REDACTED] STATEMENT

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The reason for the financial over-run as stated by [REDACTED] is the nature of the checkout process. I have spoken with [REDACTED] and gather from our telephone conversation that the checkout is complicated and time consuming. This apparently was not fully appreciated by [REDACTED] when they stated in January that the allotted money was adequate.

4. RECOMMENDATION FOR ACTION

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As the extension of time is considered to be quite reasonable in that [REDACTED] contract performance has been good, it seems reasonable to approve the financial over-run.

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PIC/TISD [REDACTED]

Chief, TISD

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